2.7 Accounts Receivable

2.7.1 Objective

Accounts Receivable is the sub-module in which the financial accounting transactions involving customers are recorded and administered. All postings in Accounts Receivable are also recorded simultaneously in General Ledger. The components of Accounts Receivable are closely integrated with components of Sales and Distribution and Materials Management which, when properly configured, support an automated sales cycle. The Accounts Receivable sub-module contains the following features:

- A reporting function to monitor customer activity
- Incoming payment processing (electronic or manual)
- A component to monitor past due customer invoices (Dunning)

The accounts receivable functionality will be implemented to satisfy the State of South Carolina's recording and processing requirements. This functionality will be implemented without modifications and will be configured for centralized administration.

2.7.2 Process Definition

Master Data

Customer master records contain information about the customer account that controls how business transactions are posted and managed. Customers are created at both the client and company code levels. Each level contains different pieces of information. The method used to create/change/display master records depends upon the division of duties within the organization. Master records are typically accessed from the application side of the SCEIS solution and are processed on-line and in real time. When users change a master record, the change is effective immediately and can be immediately displayed. Information about the change (i.e., date, user ID, type of change) is recorded. The process for defining the customer master records is under review along with the other master data. It is expected that a central group will be established to assist in this effort. Additionally, an on-line registration portal is under consideration to streamline customer master creation and changes.

In certain instances, the agencies are maintaining independent customer mater files for their specific business purposes. As part of the agency implementations, the project team will review with the agency the customer master listings and identify the best method for creating the customer listing in the SCEIS solution. These options may include manual entry or automated matching and loading. In either option, the existing customer master records will need to be reviewed or validated against by the agency so as to prevent the creation of duplicate records.

Sales area is an additional level of data maintained on the customer master record. Generally, sales area is used to support sales organizations, distribution channels and divisions. As the State does not operate in this manner, multiple sales area values are not required. The State will have a single sales area.

Account groups are defined on the customer master and are used to support various processes, determine which fields appear on entry screens and establish one-time customers. Each customer master record can be assigned to only one account group. A number range must be assigned to every account group. The State will use standard customer account groups.

A number range is assigned to an account group. Number ranges can be defined that allow the system to automatically assign a number to a master record or allow the user to manually assign a number to a master record. The State will have the system automatically assign this number.

The customer master record includes additional information relating to addresses and contact information. A check for duplicates will be configured to prevent the creation of more than one master record for the same customer. This check is configured on address matchcode fields and occurs when creating new accounts or when changing the address on an existing account.

The SCEIS solution provides the functionality to offset customer and vendor transactions during payment processing. The State has decided to not utilize this function. Trading partner functions within the SCEIS solution allow for the processing and reconciliation of inter-company transactions. Based on the nature of the State activities, this functionality will not be utilized.

The integration between the Accounts Receivable sub-module component and the General Ledger is supported through the use of reconciliation accounts. These accounts are defined on the customer master. The State will utilize a single reconciliation account for detail customer accounts receivable.

Payment terms are conditions established between business partners to settle the payment of invoices. The conditions define the invoice payment due date and the cash discount offered for early settlement of the invoice. The SCEIS solution is delivered with typical payment term keys;

however, new payment terms can be defined in configuration. Payment terms enable the system to calculate a cash discount and invoice due date. The State has identified its payment terms as due immediately.

There are several types of tolerances in the SCEIS solution. The primary tolerances in the FI module are general ledger account clearing tolerances, employee tolerances, and customer/vendor tolerances. Tolerances are defined per company code. Employees are assigned to an employee tolerance group. The State has defined all tolerances as zero percent for liquidating outstanding accounts receivable balances.

Document Principle

Please see the General Finance section of this document for a full discussion on the document principle. As the document principle relates to Accounts Receivable, the following decisions have been made:

- The State will use internally assigned numbers for all accounts receivable document types
- The State will be responsible for defining all number ranges
- The State will use standard SCEIS solution posting keys

Posting

Please see the General Finance section of this document for a full discussion on document posting. As document posting relates to Accounts Receivable, the following decisions have been made:

- The State will use enjoy postings for all of accounts receivable transactions

Validations, Substitutions & User Exits

Please see the General Finance section of this document for a full discussion on validations, substitutions and user exits. As those three items relate to Accounts Receivable, the following decisions have been made:

- The State will not have any validations, substitutions or user exits for accounts receivable processing
- It is noted that the need for this functionality may arise from the Agency Implementation Plans

Document Types

The State will post accounts receivable documents directly in the sub-ledger, which do not originate from another in the SCEIS solution component. Such entries could be to make direct invoices, credit memos without reference or corrections to a customer account as part of the period end process.

In the SCEIS solution the State will be able to post only complete documents. Please see the General Finance section of this document for a full discussion on document types. As document types relate to Accounts Receivable, the following decisions have been made:

- The State will use standard SCEIS solution document types for accounts receivable processing
- The State will add one new document type for the accounts receivable part of the IDT process
- It is noted that the need for additional document types may arise from the Agency Implementation Plans

Periodic Postings

Please see the General Finance section of this document for a full discussion on periodic postings. As periodic postings relate to Accounts Receivable, the following decisions have been made:

- Blueprint sessions determined that there was not a need for centralized recurring documents, sample documents or account assignment models
- It is noted that the need for this functionality may arise from the Agency Implementation Plans

Preliminary Postings

Please see the General Finance section of this document for a full discussion on preliminary postings. As preliminary postings relate to Accounts Receivable, the following decisions have been made:

- The State will use Hold and Park functionality for Accounts Receivable processing

Workflow

Please see the General Finance section of this document for a full discussion on workflow. As workflow relates to Accounts Receivable, the following decisions have been made:

- The State will use workflow to facilitate Accounts Receivable processes

Document Changes

Please see the General Finance section of this document for a full discussion on document changes. As document changes relate to Accounts Receivable, the following decisions have been made:

- The State will use true reversal functionality

Clearing

Please see the General Finance section of this document for a full discussion on document clearing. As document clearing relates to Accounts Receivable, the following decisions have been made:

- The State will not offset vendor and customer accounts
- The State will not automatically clear payment differences
- The State's accounts receivable tolerances will be set at zero initially

Dunning

Dunning is the process of notifying customers that an unpaid obligation has become past due. The State will have a single dunning area as described in the General Ledger section of this document. In addition, optional dunning areas may be created based on different dunning policies or business areas that are responsible for dunning. The State's minimum days in arrears is 30 days.

The two methods for calculating interest on customer accounts are:

- Interest calculation on the balance
- Interest for days overdue

The State will calculate interest based on days overdue. Interest is calculated and included on the dunning letter. Interest is due to the State in specific instances. The State has determined that interest will be calculated and posted to the general ledger.

The following must be defined for interest calculation:

- Interest calculation types

- General conditions for the interest calculation types
- Conditions dependent on the time and amount (if necessary)
- Usage of reference interest rates (if required)
- Forms for the interest calculation types

When interest calculation is activated for a dunning level, the program charges interest only if the minimum interest amount is exceeded. The State’s minimum interest amount will be set at zero.

A customer is always dunned for the first time at Level 1. An item cannot be dunned at the next level until it meets that levels Days in Arrears setting. The Dunning Level Days in Arrears setting and Minimum Days in Arrears setting in the General Information section impact the manner in which the system determines whether an item should be dunned. The example below illustrates how the system will determine if an item should be dunned:

- Minimum days in arrears: 30 days
- Grace period: 3 days
- Dunning level 1: 35 days
    - The SCEIS solution will not dun until an item is 35 days overdue, assuming that the invoice and/or customer has been flagged for dunning. It will then dun all items that exceed the grace period.
    - The SCEIS solution will continue dunning in this predefined interval until the items are cleared or the system is told not to dun the item any longer.

The dunning level can only be upgraded one level at a time. The open item with the highest dunning level determines the text in the dunning letter except when the dunning program is configured to create a dunning letter by dunning level.

Minimum amounts define an overdue threshold of the total account balance, which must be exceeded to reach a dunning level. Minimum amounts are defined for a dunning level by currency. If the balance to be dunned for a dunning level is higher than the minimum amount and the minimum percentage then the system will trigger the corresponding dunning level. The minimum percentage defines how much of the amount is overdue related to the total outstanding balance. Both the minimum amount and minimum percentage will be set at zero for the State.

For each dunning level, it is possible to define an amount or percentage to be charged if the minimum amount for dunning is exceeded. A dunning charge is used to cover the postage and handling of dunning letters. For every dunning level, a dunning charge can be specified based on the overdue amount to be dunned. Dunning charges are not posted to the general ledger. The State will have three dunning levels and each level will not contain a dunning charge.

- A form must be specified for each dunning level. The State will create three separate forms during Realization, one for each dunning level.

Special General Ledger

Please see the Special General Ledger section of the General Ledger component for a full discussion on the Special General Ledger. As the Special General Ledger relates to Accounts Receivable, the following decisions have been made:

- The State will use the down payment functionality of the special general ledger

The Sales Cycle

Sales and Distribution was not originally identified as being in scope for this phase. No workshops were identified to include sales and distribution processes and decisions. The State has, however, included sales and distribution within the implementation schedule for the subsequent project and therefore a Blueprint will be required at the beginning of the next project. Until the details of the Blueprint are defined, an option exists to manage the sales cycle in the Accounts Receivable sub-module of finance. The billing document is a document, which supports the creation of customer invoices, credit or debit memos, and the recording of the financial impact of these transactions in the general ledger. The billing document type identifies what billing document is being created in the system. Standard billing documents include:

- Invoices
- Credit Memo
- Debit Memo

As a result of a billing document, integration to the Financial Accounting module occurs with the automatic creation of an accounting document containing the following accounting entries:

- Debit to the customer account (sub-ledger) and the appropriate general ledger reconciliation account assigned to it

- Credit to the appropriate general ledger revenue account

Customer payments can be received directly and entered in the system manually, or they can be processed through a lockbox. When the Accounts Receivable Department receives payment from the customer, the accounts receivable account is cleared (with a credit) and a posting is made to the cash account for the same amount.

The receipt of payment from a customer is the final step in the integrated sales cycle. The SCEIS solution provides full functionality for processing customer payments, clearing open items in the customer account and resolving any payment differences. Posting of an incoming payment will create an accounting entry, which ill debit the appropriate general ledger cash account and credit the appropriate customer account. At the same time, a credit is posted to the general ledger reconciliation account assigned to the customer account.

If the incoming payment exceeds the tolerances for the employee and customer, the payment can still be processed as a partial payment or residual payment. A partial payment leaves the original invoice intact and creates a credit in the customer account for the amount of the partial payment. No items are cleared as a result of a partial payment. The SCEIS solution automatically updates the Invoice Reference and Allocation fields when a partial payment is posted. A residual payment results in clearing the original invoice and creating a new/invoice open item for the difference between the payment and the original invoice. The new invoice reference maintains the original invoice number that the customer knows so that future payments received can still be applied without requiring a manual lookup. Whether cash discount is granted completely or partially and which terms of payment apply to the residual payment depends on the tolerance group of the customer. The State will use residual payment functionality.

To automatically resolve payment differences within a payment advice, each item on a payment advice (which contains a payment difference) will be classified with a reason code. Reason codes will be configured to determine how the payment difference is handled. If the charge off indicator is set, the payment difference is charged-off to a general ledger expense / revenue account. The general ledger account and posting rules for each reason code are configured in configuration (chart of accounts dependent). The reason code can be configured to include a correspondence type sent to the customer in the event of a payment difference. If the charge off indicator is set, a new item is created for the amount of the difference. Reason codes can also be used in regular payment processing (without Payment Advices). The State will validate standard reason codes during Realization and decide whether to add additional reason codes at that time.

Lockbox processing is used to accelerate payment receipt and check processing. An entity, normally a bank, enters checks and cash sent/received by customers as credits and notifies the payee via file transfer. The system imports the lockbox file in BAI (Bank Administration Institute) format into the bank data memory and generates for each check a payment advice in the payment advice database. The system then posts the transactions to the general ledger via batch input. The State will attempt to use lockbox functionality for all incoming payments. Any payments received by the State prior to deposit in the bank account should be sent directly to the bank for immediate processing and posting during that night's lockbox interface.

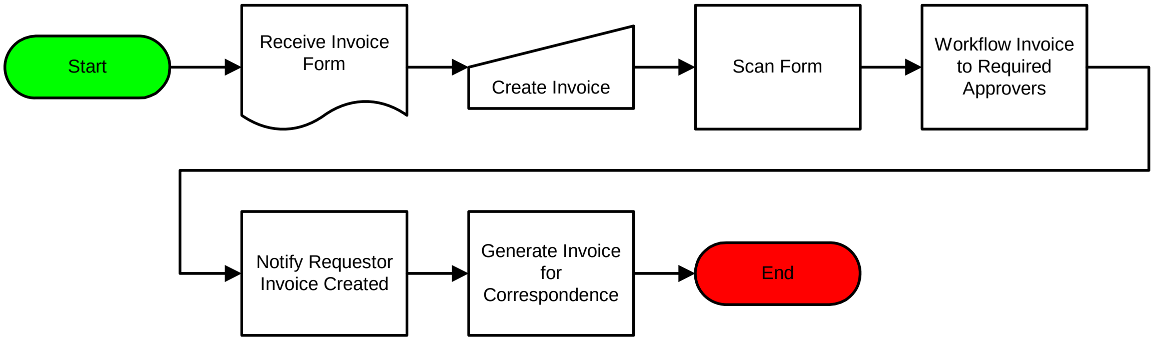
The State does not have a requirement to implement a point of sale (POS) solution. Any POS solution must be discussed and designed relative to an agency's needs. It is noted that the need for additional POS functionality may arise from the Agency Implementation Plans. A determination as to the ability to interface or replace legacy POS solutions will be made jointly between the individual agencies and the project team.

Process Flows

The business processes relating to the Accounts Receivable sub-module include the following:

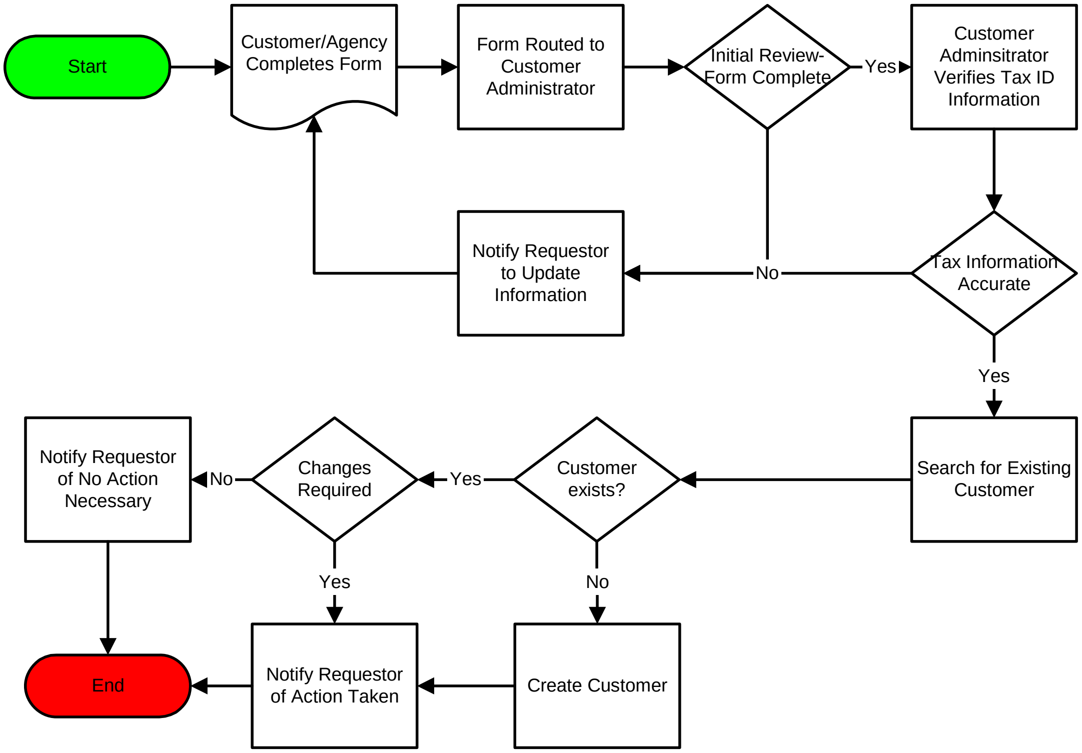
1. Accounts Receivable Invoice Create. The manual creation of an invoice begins with the submittal of the manual invoice form. Anyone can submit a manual invoice form to Accounts Receivable as long as it has the proper authorizations from within the agency prior to submittal. The authorization should at a minimum include a review as to whether the invoice is valid, complete and accurate. Authorizations may include signature, e-mail, voicemail, etc. The form contains all of the pertinent data required to enter a manual invoice, including date, customer, amount, valid coding block and signature. In the absence of any pertinent data, the receivable record can be work flowed as required by the agency. This workflow will be finalized during each agency's implementation. Once Accounts Receivable receives the form, Accounts Receivable checks the form for completeness again. When complete, Accounts Receivable enters the invoice into the SCEIS solution. The SCEIS solution performs the system checks against the budget if applicable. Accounts Receivable scans the manual invoice form and attaches it to the SCEIS solution document. The original requestor will be notified that the invoice is created and receive the corresponding document number. This notification should be electronic in nature so as to assure complete auditability.

Exhibit 2.7.2-1 Create Accounts Receivable Document Process


Start
Receive Invoice Form
Create Invoice
Scan Form
Workflow Invoice to Required Approvers
Notify Requestor Invoice Created
Generate Invoice for Correspondence
End

2. Customer Create/Change. The creation and changes to master data is very important to the SCEIS solution and should be centrally maintained and controlled. Any customer additions or changes to the master file should follow this process. Initially this process will be manual but the State will pursue the creation of an on-line registration portal similar to the vendor registration portal. The customer master data group receives a customer create/change form. Anyone can submit a customer create/change form as long as it has the proper authorizations from within the agency prior to submittal. The authorization should at a minimum include a review as to whether the request is valid, complete and accurate. Authorizations may include signature, e-mail, voicemail, etc. The form contains all of the pertinent data required to enter or change a customer, including name, address, contact information, and signature. Once the master data group receives the form, they check the form for completeness again. The master data group enters the new customer or changes to the existing customer record into the SCEIS solution. The master data group scans the customer create/change form and attaches it to the SCEIS solution customer. It is the responsibility of the master data group to notify the original requestor that the customer record has been created or changed and supply the requestor the customer number, as appropriate. This notification should be electronic in nature so as to assure complete auditability.

Exhibit 2.7.2-2 Create/Change Customer Master Process


Start
Customer/Agency Completes Form
Form Routed to Customer Administrator
Initial Review-Form Complete
Yes
Customer Adminsitrator Verifies Tax ID Information
No
Notify Requestor to Update Information
Tax Information Accurate
Yes
Search for Existing Customer
Customer exists?
Yes
Changes Required
No
Notify Requestor of No Action Necessary
Yes
No
Create Customer
Notify Requestor of Action Taken
End

3. Lockbox. All payments to the State will go through a lockbox process. The process begins upon receipt by the bank of funds to be deposited on behalf of the State. Every night, the bank will create a lockbox file based on that day's deposit activities. The bank then transmits the lockbox file to the State for upload into the SCEIS solution. Based upon interface rules, the lockbox file will post to a general clearing account set up specifically for this activity. After posting and prior to any manual intervention, the SCEIS system will search for matches based upon the program rules to be defined during Realization. If any matches exist, the program will automatically apply the payment to the open document and subsequently clear the open document. For those items that do not match on a dollar for dollar basis, the program will leave those items in the suspense account for manual intervention and application the following business day.

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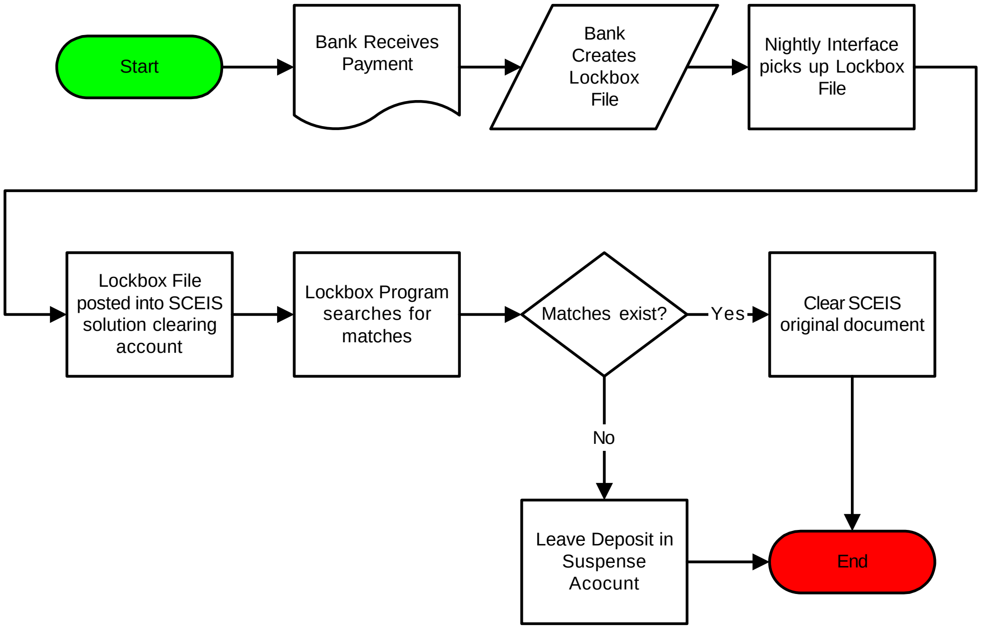
Exhibit 2.7.2-3 Lockbox Receipt Process


Start
Bank Receives Payment
Bank Creates Lockbox File
Nightly Interface picks up Lockbox File
Lockbox File posted into SCEIS solution clearing account
Lockbox Program searches for matches
Matches exist?
Yes
Clear SCEIS original document
No
Leave Deposit in Suspense Acocunt
End

4. Payment Manual Entry. This is an exception to the standard process and will not be used except in extraordinary cases. Most payments to the State will arrive via electronic means. Furthermore any payments received manually should be routed to the local bank branch for lockbox processing eliminating the need to have dual cash entries. However, there is a need to be able to post incoming payments manually. The process starts with the receipt of the payment by a State representative. Once received a manual deposit slip should be created to deposit the funds into the bank. The payment then needs to be posted manually into the SCEIS solution.

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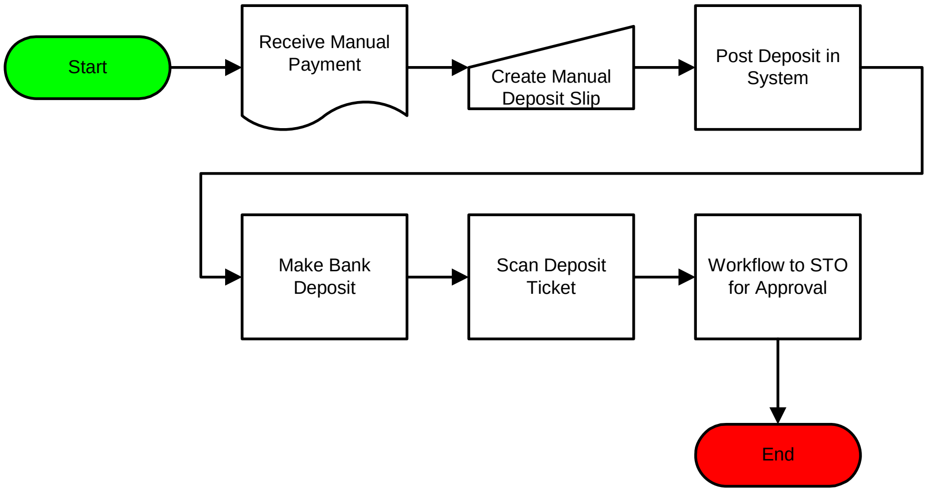
Exhibit 2.7.2-4 Receive Payment on Invoice Process



5. IDT Process. The State requires that the system be able to accommodate the IDT process. The SCEIS solution best practices stipulate that cost movements be performed to facilitate this activity allowing agencies to identify those movements as revenues or expenditures, where required. However, the State has chosen to use other functionality. The State's process is identified below. The IDT process begins when the billing agency creates the IDT billing form. This billing form contains all of the pertinent data required to enter an IDT, including date, vendor, amount, valid coding block and signature. The billing agency creates the IDT receivable invoice in the SCEIS solution, then scans and attaches the IDT billing form to the SCEIS solution IDT document. The billing agency then emails the IDT billing form to the billed agency. The billed agency creates an IDT payable invoice, and then scans and attaches the IDT billing form to the SCEIS solution IDT document. Based on parameters already configured for the payment run, the SCEIS solution generates a "no-print" check posting to liquidate the IDT payable invoice. The IDT interface then converts the payment into cash receipt, which posts to the receivable and clears the document. In order for the net impact on "Cash" for the State, the payment process and the IDT interface must run in the same daily cycle in order to minimize timing differences.

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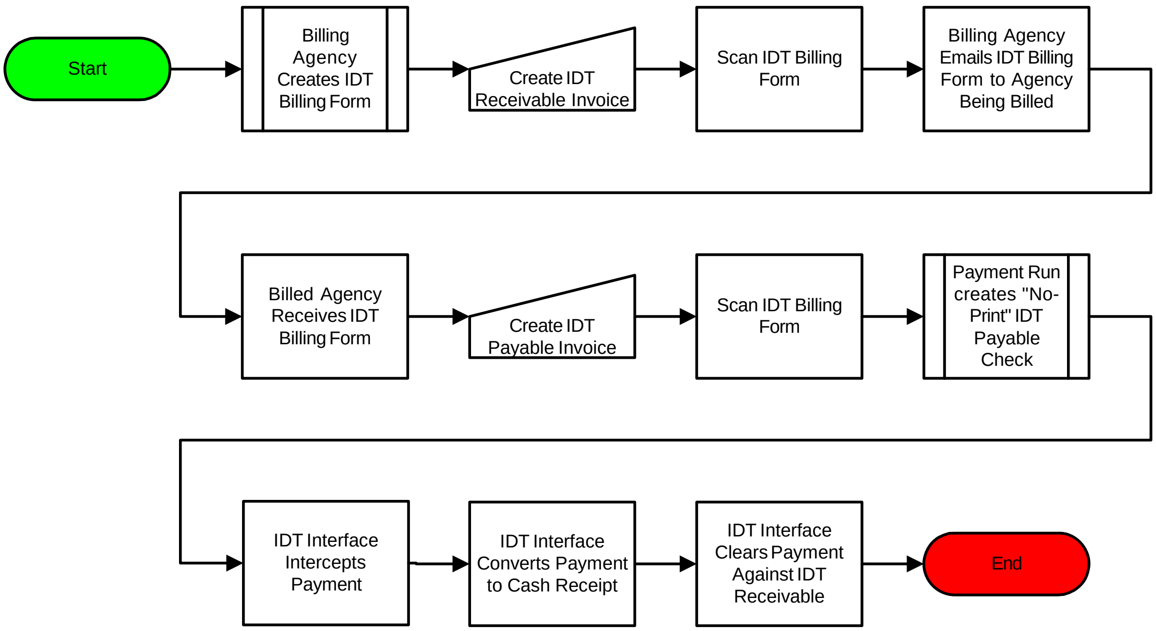
Exhibit 2.7.2-5 IDT Process


Start
Billing Agency Creates IDT Billing Form
Create IDT Receivable Invoice
Scan IDT Billing Form
Billing Agency Emails IDT Billing Form to Agency Being Billed
Billed Agency Receives IDT Billing Form
Create IDT Payable Invoice
Scan IDT Billing Form
Payment Run creates "No-Print" IDT Payable Check
IDT Interface Intercepts Payment
IDT Interface Converts Payment to Cash Receipt
IDT Interface Clears Payment Against IDT Receivable
End

6. Write Off's. From time to time customer accounts become delinquent. Upon further review of the account it may be necessary to write-off a past due receivable. Anyone can submit a write-off form to Accounts Receivable as long as it has the proper authorizations from within the agency prior to submittal. The authorization should at a minimum include a review as to whether the write-off is valid, complete and accurate. Authorizations may include signature, e-mail, voicemail, etc. The form contains all of the pertinent data required to write-off an overdue receivable, including the SCEIS solution document number, reason code, date, customer, amount, valid coding block and signature. Once Accounts Receivable receives the form, Accounts Receivable checks the form for completeness again. If complete, Accounts Receivable enters the write-off into the SCEIS solution. Accounts Receivable scans the write-off form and attaches it to the SCEIS solution document. The original requestor is notified that the write-off is created and supplied with the document number. This notification should be electronic in nature so as to assure complete auditability. Based on predefined workflow rules the invoice now begins a process of organizational approvals. If the document is not approved it is rerouted back to the original requestor to update the write-off or remove it completely. If

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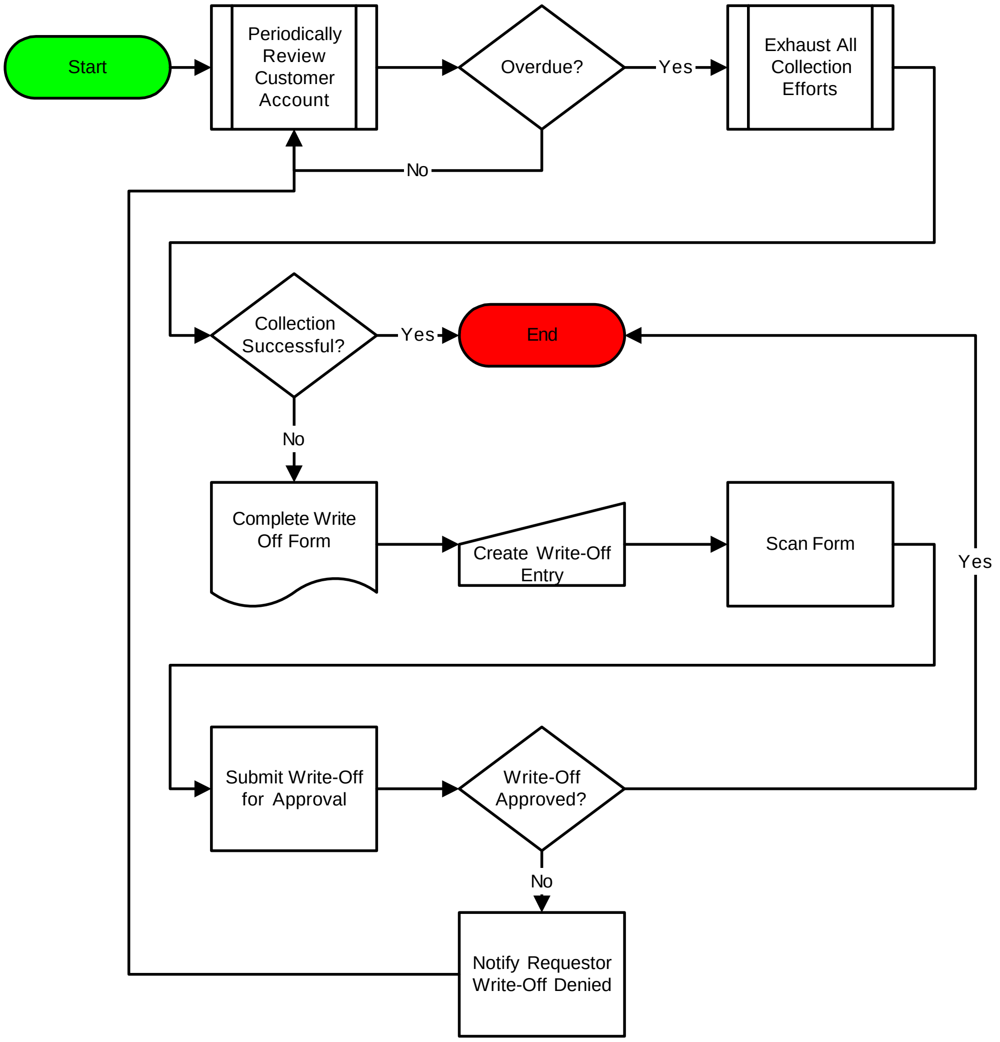
the document is approved at the agency level in the SCEIS solution, the write-off is posted in the SCEIS solution to the customer account.

Exhibit 2.7.2-6 Accounts Receivable Write-off Process


Start
Periodically Review Customer Account
Overdue?
Yes
Exhaust All Collection Efforts
No
Collection Successful?
Yes
End
No
Complete Write Off Form
Create Write-Off Entry
Scan Form
Yes
Submit Write-Off for Approval
Write-Off Approved?
No
Notify Requestor Write-Off Denied

7. Dunning. Periodic review of customer accounts should occur to ensure that the State is collecting all anticipated revenues. If a customer is delinquent in payments, the State may choose to dun the customer. Validation of the dunning settings is required, not only at the account level but also at the document level as well. The dunning program should be

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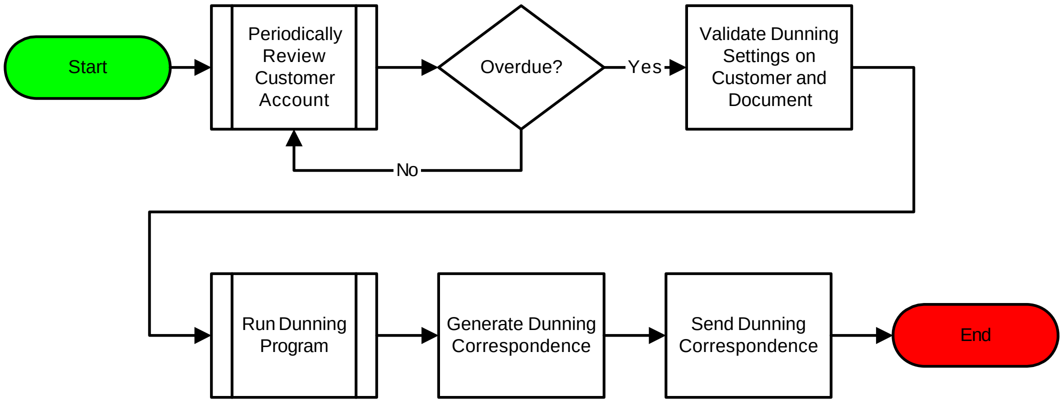
scheduled to run periodically thereby picking up any eligible accounts for dunning notices.

Exhibit 2.7.2-7 Accounts Receivable Dunning Process


Start
Periodically Review Customer Account
Overdue?
Yes
No
Validate Dunning Settings on Customer and Document
Run Dunning Program
Generate Dunning Correspondence
Send Dunning Correspondence
End

Benefits

The implementation of accounts receivable functionality will serve to benefit the individual agencies as well as the central operations of the State jointly. Through the accounts receivable workshops, a number of initial benefits for the functions were identified. These include:

- Reduction in the use of paper
- Savings by potentially eliminating staff to print and stuff envelopes
- Single customer file for reporting and analysis
- Central billing, payment application, and dunning would streamline the process and save time and money. Efforts to automate the submission of these activities would reduce time and cost
- Closing package requirements will be reduced significantly as a result of full accrual
- Central dunning and collection efforts would allow the State to monitor activity with an entity, rather than continue business when a problem exist
- Automated payment processing
- EDI processes, saving man-hours and level of effort
- Improved controls and reporting on accounts receivable activity

- Improved reporting and tracking of accounts receivables at both an agency level and statewide level

Business Requirements

The following set of business requirements represent items that were discussed during the Business Blueprint workshops that can be classified in one of the following categories: 1)A new requirement (i.e. not identified in the original RFP); 2)A previous requirement that responding to a solution that has changed significantly (i.e. grants); or 3)A previous requirement that should be reviewed carefully with the solution as it may not fall in line with the solution best practice. Please refer to the appendix of this document for the RFP requirements.

State does not require workflow for interfaced accounts receivable documents generated by outside systems.

POS items may maintain their own systems and feed daily totals to the general ledger via an interface. Interfaces will be defined by agency during the Agency Implementation Plans.

Dunning notices will be performed at a frequency of 15-30 days, depending on standardization of billing runs. The billing runs will be scheduled nightly.

The State will need a single interface built that agencies can take advantage of when they want to utilize DOR’s drafting options (i.e. GE Accounts Receivable, etc.). The functional specifications will be developed during Realization.

Write-offs do not require additional electronic approval beyond system access security.

Credit memos can be approved at an agency level. Security will be put in place to allow this activity.

The State requires corrected invoices be produced instead of upward credit memos. Incorrect invoices must be deleted and reentered.

Reporting

The system offers easy access to information on a real-time basis. Financial information can be reviewed by displaying the account balances and their line items as well as the documents that have been posted. Display parameters will determine the range of information for the account when displayed on the screen. For each period, the following is displayed:

- Total debits
- Total credits
- Balance DC (difference of debits and credits posted for the period)
- Account balance (cumulative)

It is possible to drill-down from this view to see the line items that make up this balance and then the document that posted the line item. This is possible only if the Display Line Items indicator is marked in the general ledger account master record. This functionality is available for all customer, vendor, and general ledger accounts.

The following are initial functions available when displaying line items:

- Line item selection: used to select the type of line item to be viewed:
  - Open
  - Cleared
  - All
- According to their type
  - Normal
  - Noted
  - Parked
  - Special general ledger transactions (For customer and vendor line items)
  - Vendor/Customer items (For customer and vendor line items)

The Accounts Receivable workshops identified specific types of reporting needs for payable activities. Most of the accounts receivable reporting needs will be supported through the usage of the SCEIS solution and not through Business Warehouse functionality. The workshop subject matter experts from the State identified the following reporting requirements from accounts receivable functions:

Exhibit 2.7.2-8 Accounts Receivable Reporting Needs

Report Name	Description	Standard Report

Customer Details	This report allows users to view customer master information. This view can be for accounting information or for sales information depending on the parameters selected.	Display Customer
Changes to Customer Master Records	This report allows users to view customer master changes in a list format. This view is specific to accounting information changes only.	Display Customer Changes
Balances Owed by Customer	This report shows balance totals by period for a customer or a group of customers. Drilldown capability exists to go to the line items that make up the balances.	Display Balances
Detail Transactions by Customer	This report shows a line item display for a customer or a group of customers. These items can be sorted or filtered based upon any of the business objects that are included in the individual line items.	Display Line Items
Customer Analysis	This report shows a line item display for a customer. The views that are available include postings to a sales area, special general ledger account, open items and any potential deductions.	Customer Analysis
Customer History	This report details a customer's payment history for analysis.	Customer Payment History
Customer Listing	This list produces a complete list of customer accounts and related fields. Users select which fields they want to see.	Customer List
Aged Accounts Receivable	This report shows aged payables using user-defined parameters to populate the views.	Customer Aging

InfoCubes represent predefined sets of data that will be accessible for authorized users from the SCEIS Business Warehouse. The infocubes contain information that is transferred from the production system into a repository on a predefined basis. The cubes are standard cubes within the solution and will be reviewed by the project team to confirm applicability for the specific functional reporting need as identified above.

Exhibit 2.7.2-9 Accounts Receivable InfoCubes

InfoCube Name	Purpose/Description
Accounts Receivable: Line Items	This InfoCube contains information at a header level based on the Accounts Receivable transaction posted in the system. Information on dunning, payment terms, discounts, and document references are included as well.
Accounts Receivable: Payment History	This InfoCube contains the payment history (payment volume and days in arrears) of customers per company code and fiscal year period.

InfoCube Name	Purpose/Description
Accounts Receivable: Transaction Data	This InfoCube contains summary activity for a customer based on the detail transaction posted.

Workflow

If a data entry clerk has parked a document, the clerk can manually contact the appropriate supervisor for approval of the parked document or use the SCEIS solution workflow capability. Listed below are the benefits of utilizing workflow:

- A tool for increasing the efficiency of office communication and organization
- Allows automated document release (posting the document) and/or approval procedures involving two persons
- Increases efficiency of business processes by linking tasks to employees or departments within the organization
- Reduces time and cost in managing business processes by coordinating people, work steps and the data to be processed
- Increases transparency and quality

Through workflow, multiple approval processes can be configured. When a document is parked, it is triggered by threshold amounts for release to be approved. However, only three levels of amount approvals are possible. The amount-based release procedure will determine which person of responsibility should be notified (the approval path between employees or organizational departments must be configured), and the system will automatically place a message in the approver’s mailbox to review the parked document. Upon review, the approver can complete (insert additional required information), approve or reject the parked document. If rejected, a mail message will be sent to the originator of the parked document. If completed, the parked document is ready to be posted (called “release” in workflow).

If certain information is not available during document creation, the document can be saved as a held document. As with a parked document, when a held document is saved, no financial accounting entries are posted. Holding a document differs from parking a document in the following ways:

- The User assigns a temporary document number to the held document, which is controlled by the User ID. Others cannot view or change this held document.
- Held documents cannot be viewed in account display. Held documents can only be displayed during standard document entry time using the Open Held Document push-button.

The State has identified the need for workflow in the following steps of the accounts receivables business processes:

- Acceptance of a new customer master record
- Changes to a customer master record, including deletion
- IDT process, sending bill to agency
- IDT process, sending payment to agency
- Write-off approval

Imaging

Imaging requirements have been identified for the documents that impact the accounts receivable processes. Imaging within Accounts Receivable refers to the scanning and capturing of information that is required to be maintained for the receivable document based on specified business rules or other requirements. The following table identifies the types of documents and information to be included in the imaging process and the point in the process to which the imaging activities would generally occur.

Exhibit 2.7.2-10 Accounts Receivable Imaging Integration Points

Scanned Documentation	Approval Process	Imaging Integration Point
Manual Receivable Entry Form	Yes	Agency personnel would attach the form to the SCEIS document.
Customer Master Data Form	Yes	Agency personnel would attach the form submitted to the accounts receivable supervisor after the customer master record has been created and while the customer record is in the pending status for approval.
Invoices	Yes	Agency personnel would attach the invoice to the SCEIS document.

Scanned Documentation	Approval Process	Imaging Integration Point
Credit Memos	Yes	Agency personnel would attach the credit memo to the SCEIS document.
Customer Correspondence	No	Agency personnel would attach any customer correspondence such as dunning letters, account statements, official letters, etc to the customer master record as a part of a recordation of activities.
Any additional relevant Manual Receivable documentation	No	Agency personnel would attach any additional customer documentation deemed appropriate by the supervisor to the customer master record or receivable document as a part of a recordation of activities. This may include all electronic billing information from all subsystems.

User Roles

Based on the business processes supporting Accounts Receivable, the following standard roles have been identified. Within Accounts Receivable, supporting team members have been identified in the business processes to create transactions to support the fulfillment of the payable processes.

Exhibit 2.7.2-11 Accounts Receivable Standard User Roles

User Role	Description
Central Accounts Receivable Master Data Maintenance	User will maintain various master data elements, such as customer name and address, tax information and customer bank information.
Agency Accounts Receivable Accountant	Users will be able to process account receivable documents including invoices, credit memos and cash receipts to settle open receivables. Users will not be able to approve accounts receivable documents.
Agency Accounts Receivable Supervisor	Users will have access to view and approve all accounts receivable documents including invoices, credit memos and cash postings. Users will not be able to create accounts receivable documents or generate the payment run.
Agency/Central Accounts Receivable Viewer	Users will be able to view most transactional data in Accounts Receivable, as well as execute reports, such as customer balances, customer lists, and open and cleared items.

Central Accounts Receivable Periodic Processor	Users will perform periodic processing functions in the Accounts Receivable module, such as scheduling dunning and printing correspondence. Users will not be able to create any other accounts receivable documents.